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GENERAL AND REVENUE SECRETARIAT.

Serial Nos.

Part B for November 1880

SUBJECT.

Opinions as regards the introduction of State Life Insurance Scheme into Mysore

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Indexed
MR

W D 88—GPB—50,000—24-7-16

15th August 1875

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The fact that the great bulk of the population of this country are agricultural & living in joint families in which the death of an individual does not bring about any considerable change of circumstances must always stand in the way of a system of life insurance becoming a great national institution in the largest sense of the term. But the floating population who live on monthly wages or other similar earnings comprising the servants of Government in all its departments as well as those employed on the Railways and in the various spheres of trade and Public Works are already numerous and form no unimportant portion of the community. An institution therefore which is intended to encourage provident habits amongst them and to protect them against misfortunes is not only highly desirable in itself but it has

for

for some time past begun to be felt as a real want. It is a mistake to suppose that Government in undertaking an institution of this kind would trench on the sphere of private enterprise, — an institution whose object is to save the hardworking classes of the population from the miseries attendant on the risks and accidents of life is a work peculiarly proper to Government and it cannot be safely left to private enterprise with all its risks and uncertainties. The Government therefore in establishing a system of life assurance would be simply fulfilling the requirements of a sound policy.

2. If on the above considerations the Government are called upon to embark on this undertaking, Considerations of Safety for their Credit would on the other hand require that the District limits should not be exceeded: The object of the institution must be a Provident provision against misfortunes and not the securing of a competency for the middle class man or any other. It is not to be a substitute for the

ordinary mode of saving to make a respectable provision for families by those who can afford it whilst therefore the minimum amount for which insurance may be granted may not well be reduced below 500 Rs as it may hardly be worth anyone's while to undergo the trouble of insuring for less, the maximum amount of insurance may not safely exceed Rs 5,000. It may be fixed at even less figure. It is in the larger insurances that Government would have to face the intrigues of self interest out of which it may not always hope to come the victor, and it is amongst the well-to-do classes who desire large insurances that life in this country is so uncertain. The memo of Mr. Monteith explains that the postal authorities in England do not insure for more than 10 £. Those who might desire to insure for more than 5000 Rs in the country might therefore well be left to private Companies.

3. The circumstances of these classes

of the people who are the likely bor-
rows to insure are most subject to
fluctuations. They may find con-
siderable difficulty in punctually
fulfilling a contract of this kind
for the whole term of one's life. It
would be therefore desirable not
only to allow of insurances for a term
of years but also to provide for the
return of a moiety of the premiums
paid when the insurer is unable
or ceases to continue his payments
of premiums. This would encourage
many to come forward to insure
who might otherwise be deterred.
Facility should also be afforded for
the payment of the premiums at
the nearest Treasuries, and delay
in payment should not be too
strictly visited.

4. The difficulties in the way of in-
suring native lives are by no
means insurmountable if ar-
rangements suited to the circum-
stances of the natives are adopted.
First in regard to age though natives
are apt to give indefinite answers
when called upon to state their age

suddenly, they have the means of giving their age correctly from their horoscopes. The classes who insure are those most likely to possess such horoscopes and they may be depended upon to give their age correctly when called upon to do so solemnly and in the face of the serious consequences which would attend the detection of falsehood at any time in the course of their lives. Not to mention the opportunity which the examining medical officer would always have to check any great discrepancy in this respect. Death and the cause of death in each case are also easily ascertained without the necessity of insisting upon needless medical certificates, and the necessary references from friends or other insurers are easily furnished[57] Where difficulty is most to be apprehended in arriving at a correct estimate of the value of native life. The difficulty arises not simply from the present absence of Vital Statistics but it must always be a difficult matter to procure such

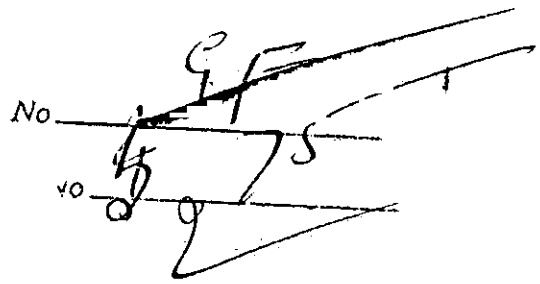
data as could embrace the varying circumstances of the numerous races who inhabit the country and whose lives further vary in the same place according to the castes and occupations which they pursue. The difference between the physical organisation of a superior and an inferior nation is conspicuous not so much in the best specimens as in the wide range of physique which prevails amongst the inferior nation. These remarks especially hold good in regard to the miscellaneous classes of the population who are the likely persons to assure. Whilst therefore a single table of rates suffices for English lives which are so uniform in regard to physique two or three differential rates to provide for 1st 2nd & 3rd classes of lives would be desirable in this country to ensure safety to Government as well as fairness to the insurers. The classification may in the commencement be roughly made by the examining medical officer and the Committees and as experience

is acquired the necessary data for such classification may be gradually framed. Three classes may not be more than what is necessary to secure a fair classification of lines quite irrespective of any special sickness or improvements.

Subject to this qualification Radius lines run to uniform a career and are so free from accidents that Government cannot run any risk in undertaking to insure them at rates the average of which need not exceed those fixed for European lines, especially as it will have no expenditure to incur on account of dividends to shareholders nor any considerable expense on account of establishments.

6. The rates of premium might further be made tentative for the present subject to such alterations as may be suggested by experience as regards future cases.

Chas of Derby



Opinion of Major William Hill Dy: Commissioner of Mysore on the proposition made by Government to establish a system of insurance of lives.

The question put is whether it is desirable that the Government of India should give direct encouragement to the insurance of native lives: and whether the obstacles in the way of obtaining accurate information concerning the age of natives and the cause of deaths are so great as to be a bar against the adoption of the step. It is also put forward that viewed from a political point the advantage which will be gained by thus binding the interests of the people of the country more closely to the British Government will be great.

It is submitted that while the advantages of a general system of Government insurance

insurance, which would embrace European and native alike may be allowed, the adoption of such a measure is premature. The grounds for such a conclusion are:

1st Native public opinion has not shewn itself to any marked extent in favor of such a measure.

2nd The Hindu system of undivided families, which provides for the support of widows and orphans by the surviving members of a household, renders the need of such an institution among natives of not such paramount importance.

3rd The statistical data upon which such a scheme may be based have not as yet been obtained.

4th The diffiently in obtaining accurate information concerning the date of births will be considerable. Horoscopes will have to be verified by the institution of some inquiry, as these documents are easily fabricated.

In

In the case of Mahomedans and the lower castes the simple opinion of the Medical Officer as to the age of the applicant will have to be accepted.

5th The non-adoption of ordinary medical remedies by natives detracts much from the value of native lives: and renders the inquiry into the cause of death much more difficult.

6th The advantages to be gained by such a system in binding the interests of the people with our own seem to be slightly over-estimated. The pension system is much similar, but during the Mutinies it failed to act as a preventive against the general rising of the Bengal native army. Moreover in the event of a revolt the leading men would in all probability resort to the expedient of making promises to maintain any existing system of insurance.

Altho' it is thus shewn that the introduction of the measure is decided

6

premature

premature, the time for the adoption of measures by which accurate information may be obtained concerning the value of native life appears to have arrived.

The first measure for the legislation is the compulsory registration by the head of each household of all births and deaths.

The second is the formation of a Widows and Orphans fund for the native as well as the European servants of Government.

The adoption of these measures will, it is submitted, be sufficient for the present.

Deputy Commissioner,
Myone District.

WRS

Memorandum

On Life Assurance by the Government

With reference to the question of Government undertaking the business of Assurance on lives generally, I beg to remark that such a proceeding would be highly desirable, as it would tend to the greater security of the Assured, who have now to depend entirely upon private companies, whose solvency it is a difficult matter to determine, and who if perfectly solvent may at any time be compelled to close business by one of those ever-recurring vicissitudes which agitate the commercial world. The failure of the Albert Life Assurance Company and of other Companies, which caused such wide-spread loss are cases in point.-

As to the interference that such a step would occasion to private enterprize it may be said that the advantage of the few

few (the assurers) should give way to the advantage of the many (the assured). Besides which it is doubtful whether there would be any loss to the public at large, for the Government would no doubt have a special Department employing several hands for the carrying on of this business, by which means many will find honorable employment.-

The Government will avoid speculation, which has been the cause of the failure of so many companies, which will be an additional guarantee of Safety to the public.-

There can therefore be no doubt of the advantages to be derived by the public from the Government undertaking to insure lives; but it is very doubtful whether the natives would look upon the measure as one beneficial to themselves and families.- As a body (except in the Presidency towns) they do not understand the principles of life assurance, and for many years to come I doubt if they would take advantage of the institution to any great extent.-

As regards the rates of subscription

to

to be charged for native lives the subject is one that requires great consideration. No reliable data is to be had regarding the value of native lives generally, as the death rate varies considerably all over India. When we consider that the class of natives who are likely to insure are chiefly composed of men who do not take substantial nourishment, who live in the midst of filth, and in unventilated houses, who really have no medical attendance, and who very rarely attain the three score years and ten allotted to man, it becomes a very serious question whether the rates in their case should not be higher than those charged for European and Eurasian lives, the value of which has been calculated, determined, and tested for the last 70 or 80 years.

With reference to the 3rd question it must be admitted that there would be a difficulty in ascertaining the age of the applicant, and in obtaining satisfactory references from him. A native seldom knows his age, and is very reticent in all matters connected with himself. It is a

Krozon

known fact that native clients very seldom tell their lawyers the whole circumstances of their cases although it would be advantageous so to do. It is not therefore to be supposed that they would state what would be to their disadvantage. They have also a repugnance to a medical Examination; and evidence of cause of death would be very difficult to obtain owing to the very short interval which elapses between death and cremation. This would open a wide door to fraud as the burning of the body destroys all proofs of foul play if any. The apprehended evil may however be lessened by not permitting an insurance to be effected on the life of any other than the applicant himself individually.-

As to the regular payment if premia there would be no difficulty in the matter, as the loss of the assurance would be the result of failure to pay the premiums within a specified time.-

Five hundred Rs and 50,000 Rs are respectively very fair minimum and maximum

sums

sums for which any one individual might be allowed to insure his life.

If the Government undertakes to insure lives all British subjects residing in India whether European, Eurasian, or native should be eligible for life assurance whether they be in Government employ or not; and I would go further and make it compulsory on all Government servants to make a provision for their families in the event of their death.

Yours &c.

Mysore
1st June 1875

Asst Accts Genl
Mysore

No. 67 of 1874-75.

From C. C. Shunmoogavalú Pillay, Esqre
Asst. Commr. Mysore District,

To,

The Deputy Commissioner,
Mysore District,

Asst. Commissioner's Office,
Mysore District.

Dated Mysore 30th July 1875.

Sir,

I have the honor to acknowledge the receipt of your docket No. 140 of the 25th Inst. last giving cover to Commissioner's Circular No. 105 dated 21st Idem. together with its enclosures being printed papers on the subject of the desirability or otherwise of establishing a system of life insurance intended for the benefit of the Natives of India, and in reply to report as follow:—

The establishment of such a system will, I have no doubt, prove a great boon to the Natives of India but whether or not the scheme would work well is the question to be decided. As regards this, I have to state that objections urged against the scheme are quite true and cannot be disputed. To

begin

begin with the scheme now under contem-
plation will, I fear, have to labour under
serious and numerous disadvantages as
is the case with all such undertakings.
Why the scheme may appear a failure at
the outset is, the institution is purely European
and understood only by the educated natives,
accustomed and conversant with European
ideas. It will really take some time before,
the rest who constitute the majority of the
population can be made to understand
the benefits derivable from insuring their
lives and unhesitatingly come forward to
reap them. The following are some of the
difficulties which cannot easily be overcome.
From the present state of native society in
this part of the Country, no correct information
can be had as regards ones age inasmuch
as the family records very rarely kept, are
not reliable and other registers likely to fur-
nish information on such points are not
even heard of by the Native Community at

large

large. Systematic measures will therefore have to be adopted for the collection of this information which, affects the effectual and continual working of the system.

The next point that strikes me is, the difficulty in inducing natives to allow a corpse to be subjected to post mortem examination which will be found necessary in great many instances, but which is regarded as a violation not only of the caste restrictions, but also opposed to long established customs. Besides no native would ever like to allow a corpse to be carried from one place to another and so a medical agency on an extensive scale will have to be maintained which is undesirable.

I am therefore of the opinion that the native community in their present state are not prepared for the scheme like the one contemplated; and before the Government undertakes the scheme, it would be well to take proper steps for ascertaining as

accurately

accurately the date of births age &c of the natives, the only way which seems to me to enforce the regular and correct keeping of registers of births, deaths &c &c.

It is necessary also to adopt some means of explaining to the masses the necessity of and the benefits ultimately derivable from the scheme, and for this purpose, I think, meetings might now and then be held in all large towns and other important places and the system fully explained to the audiences. The majority of the natives are not half as enlightened as they are generally supposed to be and it will be a work of years before they can be persuaded to give up their caste prejudices which in certain cases seriously interfere with the requirements of the rules of an institution which it is proposed to establish.

The enclosures of the dockets under reply are herewith returned. —— I have the honor to be,

Sir,

Your most obed. Servant,

L. C. Thurnsfunken

Asst: Comm. Mysore District

No 135 Hoonsoor Sub Dn Court

To

The Deputy Commissioner
Mysore District

Mysore 13th July 1875

Sir,

Adverting to your Circular No 40 d/25 May last, giving cover to Ashtagram Commissioner's Circular No 105 of the 21st Idem, and your subsequent reminder anent the desirability of Government establishing a System of Life Asurance, and calling upon me to express my views in the matter, I beg to offer the following remarks and suggestions with reference thereto.

2 First and foremost in my humble opinion the adoption of such a step by Government would be very beneficial to the Public inasmuch as it would not only

feed

tend to the greater security of the assured who have now to depend entirely upon private enterprize, but at the same time a field open for employment to many as Government would then necessarily have to maintain a distinct Department for the proper carrying out of business of this nature, and which will doubtless be an additional guarantee to the public against any failure or loss &c as has too often been the case with many private Companies.

3. The second point for consideration is whether the natives would regard the project as one beneficial to themselves and their families. In my opinion they do not. I think rightly understand the principles

of

of Life Asurance, and I have my doubts as to whether they would take to such a system, a multitude of objections will no doubt be urged by them, but the old saying. "the solution of difficulties must be sought by persevering effort". applies here. and some time must elapse before the natives could be expected to take advantage of an institution of this kind and avail themselves of its benefits to any considerable extent.

4. The next thing which demands attention is as regards the rates of subscription to be charged for Natives. this is a point which requires much deliberate consideration, and I find some difficulty in the absence of any reliable data

regarding

regarding the value of Lives
lives to determine the rates
of subscription, but it might
think be fixed low enough
to offer the poor Native a Chance
of insuring a pittance for his
family.

5 Now with reference
to the question of age. It is an
admitted fact that the data
for the ascertainment of the
age of Natives are generally
uncertain and great difficulty
will therefore be experienced
in ascertaining the age of the
applicant, and in the way of
procuring satisfactory refe
rences from him, such being
the case an applicant should
therefore be permitted to effect

insurance

insurance on his own life only, and not on the life of another party.

6. As regards the regular payment of the premia, there would not be much difficulty in the matter as the lop of the assurance would be the result of the non-payment of the premium within the specified date.

7. The minimum amount for which a life may be insured might very fairly be fixed at Rupees 500, and the maximum Rupees 50,000.

8. Lastly in the event of an insurance office being Constituted

constituted I would suggest that all Natives, both those in the Government Service and those not in the service, should be made eligible for life Assurance by the Government.

I have the honor to be,
Sir
Your most obedt Servant,
[signature]
Assistant Commissioner
Hoonsoor Sub Divn.

Put up with other
professors -
Reminders to others
who have been asked
to give an opinion

COMPTROLLER'S NOTE.

With reference to the Docket accompanying the Notes of the Dewan on a scheme of Compulsory Insurance applicable to servants of the Mysore State, I have ascertained that it is not possible to obtain from the private Insurance Companies information of the data on which their business is managed. The published prospectuses only give some of the rates of premium and annuities charged and the rules and conditions as far as they affect the assured. I have however written for some publications on the subject. In the meantime the following facts and suggestions may give some information of the lines on which the proposed scheme should proceed.

2. The soundness of any scheme of Insurance must depend chiefly on the accuracy of its life-tables as applicable to the class of people who will insure their lives. In England it was only towards the end of the last century that a few such tables were constructed. They however differed from one another as regards the death-rates at different ages and were far from being quite satisfactory. The various Insurance Companies adopted one or other of them after making some modifications and safeguarding against loss by providing for a large margin of profit, &c. These tables have been corrected and improved upon by the light of subsequent experience, so that for English lives living in England the life statistics may be said to be very accurate. In India no such statistics have been compiled and published. The English Insurance Companies which extended their business to India enhanced their premiums by a rough guess in the first instance and have gradually revised and reduced them according to their experience. These Companies insured only European lives when they commenced business but some have come forward latterly to accept risks on Native lives but on enhanced premiums. It is only the Oriental Life Assurance Company, Bombay, that started business on the principle that in India select Native lives were as good as English lives and adopted the same rates of premium for both. Since then some high class English Companies have cheapened their rates for natives which are however still dearer than those adopted for Englishmen living in India. It is not possible however to obtain from these Companies information as to their tables of mortality or the interest which they have assumed for their investments in calculating their premiums.

3. Last year I applied to the Comptroller General of Post Offices for the data on which the Postal Insurance scheme was based and he was good enough to place at my disposal the table of mortality which was adopted and the mathematical tables by which the rates of premium could be worked out. He also stated in his letter that no good statistics of Indian lives were available and that the Post Office tables were constructed on the latest available statistics 1837–72, which were obtained from Uncovenanted Service Family Pension Fund, Bengal. The rate of interest adopted is 3½ per cent and is calculated on the Savings Bank principle *i. e.* it is allowed on the lowest daily balance remaining from the fourth to the end of each month after making all payments. He also said that no allowance had been made for establishment charges at present, but that such charges would be added if the business extend and additional establishment at the Central Office were found necessary. Beyond the small margin of profit arising from the difference in interest on the investments at 3½ per cent and the now prevailing rate of 4 per cent on Government securities, no safeguard against loss has been provided.

4. I enclose a copy of the life statistics used in Postal Life Insurance and of rates of premium adopted (Enclosures Nos. 1 and 2). It will be observed from a comparison of the rates of single premium charged by the Oriental and Postal Insurance that the premiums charged by the former are much cheaper than those of the latter throughout, *i. e.* from age 21 to 55. On the other hand the former is dearer as regads "whole term premium" than the latter the difference at age 21 being as much as 25 per cent. The disparity gradually grows smaller till age 41, when the two are nearly equal. The Postal then grows dearer and dearer till at age 50, the difference is nearly as great in favor of it as it was against it at 21. I am inclined to believe that the Oriental is more liberal as regards single premium, as it has no trouble of collection, payment of commission, &c., whereas the Postal does not make any charge for these and adopts the same calculation throughout. In the "whole term," the Oriental is dearer, probably because its rate of interest is 3 per cent as against 3½ per cent of the Postal scheme. We may, I think, accept the latter, though it is much more advantageous than those of any Company doing business in India. But if it is considered desirable to adopt safer rates, we may take the average of the rates of the Postal and Oriental. Even then the rates of the former would be found cheaper and the security more statisfactory than in the case of the

Oriental, up to 40 years of age and the disparity, after that, will be greatly reduced. It must however be remarked that these life tables are the averages arrived at on a calculation of a large number of instances and could be expected to be safe in practice only when they are applied in the case of a large number of lives. The Postal and Telegraph Departments consist of a very large number of employés, the majority of whom are on small pay the risks of loss from individual lives being very small (see enclosure No. 3 containing a short statement of the Postal employés and of the Insurance policies in force on 31st March 1887). Besides policies of insurance, bonds for annuities are issued by the Postal scheme, and any loss resulting from inaccuracies in the life tables in Life Insurance branch may be expected to be counterbalanced by the advantage arising from the same mistake in the Annuity Department. But so far few pensions have been granted and little advantage may be expected practically from this dual system. Our scheme, at least as at present framed, will embrace only a limited number of men who are in receipt of comparatively larger salaries, (see Enclosure No. 4). The bonus secured would be large in proportion and the risks of error in the table would be great. It may however be argued that as we shall provide for payments at 55 and as statistics of Indian lives may perhaps be found to be at fault as respects persons of advanced years, the risks are likely to be greatly minimized. I would however recommend that officials drawing Rs. 20 also may be included in our present scheme, as we shall then have about 1,000 more men in our Insurance books.

5. In the Dewan's scheme it is proposed to deduct ten per cent of salary. While perhaps this percentage may be necessary to secure a decent bonus in cases of men on small pay, it is feared that as regards men on higher salaries the deduction might be felt as a hardship, especially as they may have other ways of providing for their families.

6. Moreover, as I have already suggested, in the limited scope of our scheme, risks of error in life-tables are likely to affect its success. If the *bonus* insured should be for very large amounts in the case of only a small number of lives, any untoward casualty will cripple the fund seriously and retard the cause of insurance itself. It would be desirable therefore to fix a limit for the bonus, and regulate the deduction of pay accordingly. In the correspondence which took place on a reference by the Government of India about a State Insu

rance, opinions as to the maximum amount of insurance, varied very widely from five to fifty thousand rupees. For the present the amount of bonus payable may be limited to about 30 or 40 times the monthly salary within a maximum of fifteen thousand rupees and the percentage of premium fixed accordingly. The Postal tables do not furnish any information as to the amount of insurance payable at 55 years of age for a given premium. I have however constructed a table showing the bonus payable at 55, to a man making a monthly payment of one rupee from age 21 and upwards up to age 50. I have sent this table for verification by the Comptroller General of Post Offices to avoid all chances of error as the calculation is somewhat complicated (see Exhibit A). The surrender values and the reduced bonus payable under para 2 (*b*) and (*c*) of Dewan's Notes may also be similarly calculated. The work will take sometime and I shall have it done as soon as the general principles of the scheme are approved of by the Dewan. The amount payable for the above premium according to the rates of the Oriental Life Assurance Company is given in the margin of Statement A for comparison. It will be seen that for age 21 the bonus according to the Postal Life table is much greater than that payable according to the rates of the Oriental and that the amounts gradually approach till they are about equal at age 40. After that the Oriental is somewhat more favorable. This is what was observed in the whole term rates, *vide* para 4. As suggested in that para, if the rates are considered too liberal, the mean of the two rates may be taken. The rates of some other insurance companies for the same amount of insurance payable at 55 or before in case of death is also appended for comparison (*Vide* Enclosure No. 5).

7. As a further safeguard, we may also provide that only a portion (half or three-fourths) of the bonus assured should be paid in case of death within the first three or five years after insurance. In the case of such small service men, the obligations of the Government are not great and the restriction may well be imposed, as even a portion, say half the amount assured, will be much in excess of the total premium paid.

8. In the calculation of the bonus which may be payable at age 55 on account of a given payment of one rupee per month, we get in most cases odd sums and fractions of a rupee. It will perhaps be better to adopt a sliding scale for each age, making the bonus payable into round numbers omitting sums less than Rs. 2—8—0 and count-

ing all sums above Rs. 2—8—0 as 5 Rs. Thus calculated, for example, the bonus, according to table A, at 21, 22, 23 and 24 will be Rs. 480, 460, 440 and 420 and that at 26, 27 and 28, Rs. 380, 365 and 345 respectively. And it may be provided also that the amount to be deducted on account of premium shall be multiples of 8 annas not exceeding a fixed percentage of salary.

9. The scheme further provides for increasing the amount insured as the pay of the official is raised. This should be treated as an additional insurance in order that there may be no confusion in the accounts, the amount of premium for the new insurance being the difference between the percentage on the new salary and the amount already being paid, subject to the provision that it should be a multiple of 8 annas and the bonus shall be the amount payable for the additional premium according to the table. Such fresh insurance should be prohibited when the amount of the additional bonus or the additional premium available does not exceed certain fixed sums.

10. I would also make the following suggestions for the working of this scheme :—

11. The premiums realized after deducting all necessary payments should be carried to a separate account entitled the "State Insurance Fund" and interest at Savings Bank rates allowed on the minimum balance of the fund from the 4th to end of the month.

12. The accounts relating to this branch should be audited by one or two competent officers belonging to the Comptroller's or Public Works Examiner's Office to be selected in each year by Government.

13. A competent actuary in England or India should be engaged by Government as consulting actuary. The registers of the insured with information as to age, &c., of each life assured in the Fund and a statement showing particulars of the State Insurance Fund should be submitted to him every second or third year for examination and report on the condition and prospects of the State Insurance Fund. By this means the Government will be able to secure thoroughly reliable information as to the safety of the undertaking and enable it to revise the premiums, the conditions of Insurance and other matters.

14. A Board of Directors may be constituted composed of the Chief Secretary to the Government, Senior Surgeon, Chief or Assistant Secretary in the Public Works Department, Examiner, Public Works Ac-

counts and the Comptroller. The last may be made the Managing Director so as to be able to carry on the work in his Department subject to the general control of the Board.

15. The Deputy Commissioners in the Treasury Department should be constituted as the Agents of the Board in their respective Districts, the current work being attended to by the Treasury Assistants in the Treasury Branch of the Deputy Commissioner's office.

16. As regards the application for insurance and medical examination of applicants, it may be provided that the applicant may be directed to fill up, under his signature, a form of personal statement to be prescribed, which might be sent by the applicant's immediate superior to the Government Medical officer at the Head-quarters of the District and the applicant directed to present himself before him. The Medical officer might then examine the man and send his report under seal to the Board of Directors at Bangalore, the personal statement alone being returned to the applicant's immediate superior with an endorsement that the medical examination was duly conducted. The superior officer may then be forward it with his own opinion in a confidential sealed note to the District Treasury Officer who will then submit the same with his own remarks regarding the applicant. In case of officials drawing more than a certain salary, it may be provided that the Deputy Commissioner should personally report on their lives, a set of questions being printed, if considered desirable.

17. The Board may be required to examine the papers of each applicant in a Committee meeting, at which the Senior Surgeon or, during his absence, his Senior Assistant may be required to be invariably present. The decision of the Board may then be communicated through the Treasury Officer of the District and the Heads of Departments to applicant concerned. The Government should decide once for all whether in case of an official's life being considered risky the insurance alone might be refused or whether his entertainment in the Government service should be forbidden.

18. In certain cases the Board may resolve to add a few years to a man's declared age on account of the Medical Report not being quite satisfactory and the question will then arise whether the official concerned can refuse to insure his life.

19. It would be found very hard to insist on the rejection of a man for the Government service in case his life is not approved of for insurance. The question will be still more complicated in cases of second and subsequent insurance of the same life in consequence of increase of salary. It will not be difficult to adduce cases where officials who were passed as sound lives, are subsequently found ineligible for insurance purposes and are yet fit for work. It would be obviously impossible to send them out of the Government service nor would it seem to be safe to incur fresh risks on their lives. If the non-entertainment or removal from service in case of second and subsequent insurance be insisted upon, the medical and other reports are likely to become one-sided or perfunctory in view of the serious results of a rigid examination. For this reason it will be better, at least for some years, to allow the entertainment in the Government service providing only that the individual should be admitted to the insurance scheme on the condition that he shall not be entitled to the bonus if he should die or be invalided within a given time, say ten years.

20. The premium will be collected and credited in the Taluk and District Treasuries by the Amildars and Treasury officers and payments will be made on audited bills or payment orders issued by the Comptroller as Managing Director.

21. The Registers required to be kept and the statements to be submitted by the Treasury officers will be prescribed in due course.

22. The rules for the guidance of the assured and of the Board of Management and their Agents including forms of Medical Report, personal statement, &c., as well as the schedules of premiums and sums for which assurances may be allowed can be drawn up by a small Committee after the principles of the scheme are finally settled.

BANGALORE.
7TH NOV. 1889.

A. RANGASWAMAIENGAR,
Comptroller.

A.

Calculation of the amount payable at 55 or death in consideration of a monthly payment of one Rupee up to the age of 55.

Present age.	Value of a monthly payment of one rupee up to 55 $\frac{N_x - N_{55}}{D_x}$		Value of amount payable at 55 or death $\frac{M_x - M_{55} + D_{55}}{D_x}$		Amount payable at 55 or death in consideration of a monthly payment of one rupee. $\frac{N_x - N_{55}}{M_x - M_{55} + D_{55}}$	
	Amount.	Logarithm.	Number.	Logarithm.	Logarithm.	Number.
21	202·69	2·3068	·4215	—1·6248	2·6820	480·84
22	198·828	·2984	·4325	·6360	·6625	459·76
23	194·95	·2899	·4439	·6473	·6426	439·15
24	191·11	·2812	·4554	·6584	·6228	419·59
25	187·00	·2718	·4671	·6694	·6023	400·32
26	182·60	·2619	·4791	·6804	·5815	381·55
27	178·50	·2516	·4910	·6910	·5605	363·53
28	174·30	·2412	·5034	·7019	·5393	346·25
29	169·80	·2299	·5161	·7127	·5172	329·01
30	165·50	·2187	·5288	·7233	·4954	312·95
31	161·80	·2089	·5417	·7338	·4751	298·66
32	157·40	·1970	·5547	·7441	·4529	283·73
33	152·90	·1844	·5680	·7543	·4300	269·16
34	148·20	·1708	·5813	·7644	·4064	254·92
35	143·30	·1562	·5946	·7742	·3820	241·00
36	138·50	·1414	·6086	·7843	·3571	227·57
37	133·50	·1254	·6227	·7943	·3311	214·38
38	128·40	·1085	·6374	·8044	·3041	201·42
39	123·10	·0902	·6528	·8148	·2754	188·55
40	117·60	·0704	·6683	·8250	·2454	175·96
41	112·10	·0496	·6856	·8360	·2136	163·54
42	106·30	·0265	·7028	·8468	·1797	151·26
43	100·10	·0004	·7205	·8576	·1428	138·94
44	93·70	1·9717	·7392	·8687	·1029	126·77
45	87·20	·9405	·7585	·8799	·0606	114·98
46	80·80	·9074	·7786	·8913	·0161	103·78
47	73·90	·8686	·7994	·9027	·9659	92·44
48	66·70	·8241	·8212	·9144	·9097	81·22
49	58·80	·7693	·8443	·9265	·8428	69·63
50	50·50	·7032	·8686	·9388	·7644	58·13